

Fiscal Note

Fiscal Services Division



HF 712 – Consumer Fraud, Private Remedy (LSB1307HV)
Analyst: Beth Lenstra (Phone: 515-281-6301) (beth.lenstra@legis.state.ia.us)
Fiscal Note Version – New
Requested by Representative Geri D. Huser

Description

House File 712 permits individuals to file court actions for certain alleged consumer fraud violations. The Bill provides definitions of prohibited practices or acts, and exempts services provided by specific occupations or entities. The Bill authorizes the Attorney General's Office to oversee private consumer fraud actions. The provisions of HF 712 apply to actions accruing on or after the effective date of the Bill (July 1, 2009).

Background

1. The National Center for State Courts conducted a weighted caseload study for the Judicial Branch in 2008. The study determined the average tort case (excluding all malpractice and product liability claims) requires 3.43 hours of District Court Judge and support staff time. Staff time for the Clerk of Court's Office is estimated to be 2.6 hours.
2. The hourly rates are \$77.88 for a District Court Judge, \$42.66 for a court reporter, \$22.18 for a court attendant, and \$19.49 for Clerk of Court staff.
3. Based on the above information, each case that goes to bench trial costs the court system \$540.40.
4. Approximately 5.0% of tort cases go to a jury trial. The average cost for a jury is \$2,064.
5. Between Calendar Year (CY) 2007 and CY 2008, civil filings in Iowa District Courts have increased 15.5%. Criminal filings have decreased 18.9%. Small claims filings have increased 7.9% over the same period.

Assumptions

1. The majority of the States have this legal remedy. There is significant variation between the States regarding the statute, especially when comparing prohibited practices or acts, and exemptions or exclusions for services provided by specific occupations or entities. Therefore, it is not possible to compare Iowa's proposed law to other State's experience.
2. The Attorney General's Office indicates there is no fiscal impact on its operations.

Fiscal Impact

There is no information available to estimate the number of cases that may be filed as a result of HF 712. Additionally, there is no information available to indicate the number of filings that will result in a trial or be summarily dismissed or settled out of court. Therefore, a definitive fiscal impact on the Iowa court system cannot be estimated.

It is estimated that one bench trial costs the court system \$540. As a reference, 100 cases tried by a Judge are estimated to cost the court system \$54,000. If 5.0% of these 100 cases are trial by jury, the cost for the court system is estimated to be \$64,000.

Sources

Judicial Branch
Office of the Attorney General
National Conference on State Legislatures

/s/ Holly M. Lyons

March 19, 2009

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56, Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
